2007-08 Annual Report

Department of Business

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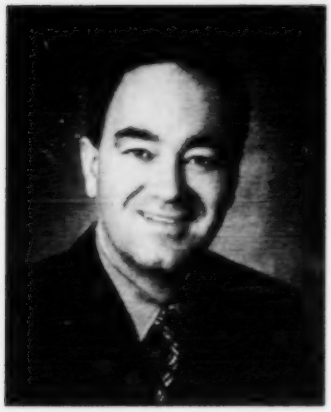

MESSAGE FROM

THE HONOURABLE PAUL ORAM
MINISTER OF BUSINESS

I am pleased to present the Annual Report of the Department of Business for fiscal year 2007-08 in accordance with the Department's requirements as a category two government entity under the *Transparency and Accountability Act*.

This past year has been very successful for our Department as we continued to promote Newfoundland and Labrador as an attractive investment destination. The provincial brand has had continued success and has received international acclaim. The Department of Business continues its efforts to stimulate economic growth, foster a business-friendly environment, and reduce the unnecessary "red tape" that can impede progress. We remain firmly committed to working with our partners in developing relationships and creating a climate where business can prosper. I would like to particularly thank the Department of Innovation, Trade and Rural Development, the Department of Natural Resources and the Atlantic Canada Opportunities Agency, with whom we have partnered on a number of exciting initiatives.

The Business Attraction Fund, designed to attract large-scale investment to Newfoundland and Labrador, and the Resort Property Investment Tax Credit program, which encourages investment in the tourism industry, continued to be marketed. We also launched a new fund called the Oil and Gas Manufacturing and Services Export Development Fund, which is designed to encourage export development in the oil and gas sector and will assist local companies to develop expert potential as they compete globally.

We continue to work towards realizing our vision of sustainable economic growth and prosperity for all of Newfoundland and Labrador. We remain confident this vision will be realized as we continue our efforts to attract business and investment to the province.

As Minister, I am responsible for the results that are reported in this document. I take great pride in the staff of my department and what we have achieved. We look to the future with optimism and the promise of still greater success in 2008-09.

PAUL ORAM,
Minister of Business

DEPARTMENTAL OVERVIEW

Business Description

Newfoundland and Labrador is located on the edge of the North American continent and poised for enormous economic growth. Huge offshore oil reserves, exciting mineral plays and potential, multi-billion dollar industrial projects, are just a sample of developments in the province. The Department of Business is leading the charge to bring new investment into the province.

Created in 2004, the Department of Business is a young department with the exciting mandate of providing leadership for business attraction and growth in Newfoundland and Labrador. Utilizing a proactive and responsive business attraction model, the Department has promoted our province as a viable option for new or expanding businesses. The Department has marketed and leveraged the Province's many benefits which include an available skilled work force, competitive operating costs and an abundance of natural resources.

Over the past year the Department facilitated visits by potential investors to numerous sites and communities all over Newfoundland and Labrador. Furthermore, staff visited clients across multiple sectors to further promote the province to interested, prospective clients. To expedite the process of market penetration in certain key markets, the Department has formed strong ties within local business communities and developed networks of contacts.

This past year saw several departmental missions to Japan, Qatar, Germany and India. These efforts have promoted the Department's mandate internationally and have served as a platform for a proactive business attraction agenda targeted at specific clients.

The Values, Mandate, Vision and Mission of the Department of Business are as follows:

Values
The core values of the Department are collaboration, accountability, respect, creativity and dedication. Departmental staff have been encouraged to embrace these values as they deliver services to clients. These values underlie the interactions of staff members with other departments and agencies as well as in their dealings with external stakeholders.

Mandate
The mandate of the Department of Business is to provide leadership for business development and growth in Newfoundland and Labrador.

Vision
The vision of the Department of Business is of a vibrant and sustainable economy that is supported by a business friendly environment and proactive and strategic economic growth.

Mission
The mission statement of the Department is: "By 2011 the Department of Business will have facilitated the attraction of major business across the province and across sectors."

Lines of Business

The Department of Business has four inter-related lines of business relevant to its mandate.

Business Attraction

Business attraction encompasses the business and investment attraction functions of the Department of Business. The Department proactively promotes the competitive and comparative advantages of the province in target markets for the purpose of attracting national and foreign direct investment. This work includes the generation of data and information packages in support of business cases for sector-specific and region-specific investment. The Department aggressively pursues new investment opportunities and responds to those initiated by clients.

To assist with the attraction and growth of business, the Department manages the Business Attraction Fund and the Oil & Gas Manufacturing and Services Export Development Fund (OGEDF).

The Business Attraction Fund is designed to attract medium and large scale businesses to the province by providing customized financial assistance. The fund consists of allocations for loans or incentives as well as non-repayable contributions.

The OGEDF is designed to support strategic investments in new business opportunities for large-scale, export-based petroleum fabrication, manufacturing and service provision.

Marketing

The Department leads the development and government-wide implementation of the brand strategy which establishes and markets Newfoundland and Labrador as a place to invest, live, and work. In addition, for the purposes of business attraction and generation of increased business investment in the province, the Department is responsible for the development and implementation of a marketing strategy.

Regulatory Environment Reform

The Department provides project management for Government's regulatory environment review and is the lead administrator for the Red Tape Reduction (RTR) Initiative. The functions in this line of business include coordinating the assessment of the regulatory regime to ensure that it is efficient, flexible and transparent. Maintaining high standards, monitoring and recommending measures to enhance the regulatory environment are key elements of this reform.

Advisory Responsibility Related to Business Support

The advisory responsibility encompasses the development of a Provincial Investment Attraction Strategy and the Department's oversight role in its implementation. The functions include leadership and advice on priorities to optimize long term business growth and investment. Other functions include the identification of gaps in such things as industry supply chains and infrastructure. Furthermore, the Department is involved in the development and maintenance of innovative business policies and the promotion of a solid business environment within government.

Financial and Organizational Profile

During 2007-08, the Department continued to develop and optimize its organizational structure and human resource capability to pursue its mandate. Minister Paul Oram was appointed in October 2007.

The Department's expenditures in 2007-08 were approximately $2.7 million *(Refer to Appendix A)*. Expenditures and revenue figures included in this document are based on public information provided in the Report on Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended March 31, 2008.

The majority of the responsibilities of the Department revolve around servicing businesses and the departments, agencies, boards and commissions of the Government of Newfoundland and Labrador. In addition to these primary clients, the Department serves all citizens by focusing on the reduction of unnecessary regulatory requirements and through the promotion of the provincial brand.

The Department is located on the sixth floor, Confederation Building (East Block), in St. John's.

SHARED COMMITMENTS

The Department of Business continued to provide leadership and advice on business policy within Government. The Department advocated within Government for the need to create a positive, business-friendly environment to attract and welcome major businesses. The Department provided assistance to other departments and agencies related to business attraction. Depending on the requirements of the situation, it assumed the lead role or acted in the capacity of facilitator or advisor.

The Department of Business led a Steering Committee of Deputy Ministers whose portfolios are linked with economic development. The Steering Committee guides a project aimed at creating a Provincial Investment Attraction Strategy for the province.

The Department's Red Tape Reduction (RTR) Division worked with departments and agencies to strive towards achieving Government's goal of a 25% reduction in regulatory requirements within three years. RTR officials monitored the progress of all entities and provided ongoing support through regular contact with senior officials and departmental coordinators.

Monitoring and development of the brand signature for the Province continued. Departmental staff offered support to departments and agencies as they integrated the brand signature in communications and promotional literature. This coordination effort ensured consistent use of the brand signature and appropriate messaging.

KEY PRIORITIES AND ACHIEVEMENTS

During the 2006-08 planning cycle, the Department continued to address its key priorities of generating investment, advisory responsibility related to business attraction, marketing, and red tape reduction. It should be noted that the Department modified its mission statement indicators from the 2006-08 Business Plan which is reflected in the 2008-11 Business Plan. These changes were made to improve clarity and to better reflect the strategic direction of the work of the Department.

The following provides details of the Department's progress in meeting its objectives over the 2006-08 planning cycle as well as detailing the 2007-08 accomplishments. *Refer to Appendix B for Accomplishments at a Glance.*

Business Attraction

2006-08 Planning Cycle Results

This section outlines the Issue, Goal, Measure and Indicators set by the Department for the two year planning cycle which commenced on April 1, 2006 and ended March 31, 2008. Furthermore, accomplishments described here go toward achieving the *Business Attraction* strategic direction stated in the 2006-08 Business Plan.

Issue: Generating Investment

The Department of Business is focused on investment attraction from national and international sources. Business prospecting activities are proactive and responsive, with a goal of attracting new business to the province. The Business Attraction Fund is designed to provide customized financial assistance to inward investors in support of start up or business expansion. Also of importance is the encouragement of additional investment by those businesses already established and looking to expand globally. The Department encourages this activity through the Oil and Gas Manufacturing and Services Export Development Fund.

The Department of Business partners with a number of provincial government departments and federal agencies that are involved in business attraction. While the goal of the Department is to generate increased business investment, it is also responsible for leadership in those activities throughout government.

Goal: By 2008, the Department of Business will have generated increased business investment in the province.

Measure: Generated increased business investment

Significant efforts and advancements have been made in the area of business attraction. Extensive consultations have been conducted with targeted companies and a significant number of leads have been generated. For the first time, in the 2007-08 budget cycle the department received approval for funding under the Business Attraction Fund, providing it with the necessary resources to attract businesses to the province. Although no investment

attraction deals were completed in 2006-08 period, crucial groundwork has been laid, the results of which will come to materialize in fiscal 2008-09.

Supplementing the business attraction efforts, significant improvements were made during the cycle to the client relationship management system used by the Department. These improvements now allow us to optimize the significant networks developed over the last two years. Furthermore, process flow and due diligence methodologies added to significantly improved operations.

Indicators and Accomplishments:

Indicators	Accomplishments
1. Implementation of best practices	• Developed and implemented detailed due diligence procedures for project assessments.
2. Repository for business prospecting information	• Introduced a new Client Information System. This system serves to optimize client relationship management and capitalize on investment attraction activities.
3. Market research and analysis to enable effective investment prospecting	• Developed networks of business contacts in key markets. • Conducted research on targeted market segments and primary industry sectors targeted for development and expansion.
4. Development of targeted promotional strategies	• Developed multiple sector information packages for Financial Services, Aerospace and Defence, Agriculture, Alternative Energy, Manufacturing and Information Communication Technology ("ICT").
5. Development of customized value propositions	• Customized value propositions have been created and delivered to potential investors.
6. Number of business prospects pursued.	• During the 2006-08 cycle 190 business prospects were pursued.
7. Number of new businesses attracted to the province.	• Although no deals were signed during this cycle, results of the work completed to date will be realized in fiscal 2008-09.

Generating investment is, and will continue to be, the main focus of the Department's efforts. The Department will continue to act as the lead in securing inward investment. Business prospects will continue to be identified through proactive prospecting efforts.

The process of attracting investment in an extremely competitive global landscape necessitates patience, time, resources and a dedicated effort by departmental staff. Extensive work has been conducted to date and it is expected that significant investment in the Province over the next two years will be attributed in great part to the efforts of the Department of Business.

2007-08 Annual Results:

This section outlines the Objective, Measure and Indicators set by the Department for the 2007-08 fiscal year which commenced on April 1, 2007 and ended March 31, 2008. Furthermore, it describes accomplishments made toward meeting the stated objective.

Objective: By 2008, the Department of Business will have generated increased business investment in the province.

Measure: Generated increased business investment

The 2007-08 year was a very busy one for the Department of Business. There were prospecting missions to Japan, Qatar, Germany and India as well as 28 client prospecting trips to Ireland, the United States, other Canadian jurisdictions, the Cayman Islands, Bermuda and the Czech Republic.

Indicators and Accomplishments:

Indicators	Accomplishments
1. Best practices for business prospecting implemented across appropriate departments	• Developed and implemented detailed due diligence procedures for project assessments.
2. Targeted promotional strategies developed	• Developed multiple sector information packages for Financial Services, Aerospace and Defence, Industrial Regional Benefits, Agriculture, Alternative Energy, Manufacturing and Information Communications Technology.
3. Number of information packages developed for key priorities identified in the Provincial Investment Attraction Strategy (PIAS)	• Continue to refine key priorities for PIAS. Interim work includes the development of general information packages for the Financial Services, Aerospace and Defense, Agriculture, Alternative Energy, Manufacturing and ICT.
4. Number of investment opportunities facilitated/number of clients assisted	• In 2007-08 the Department facilitated 166 investment opportunities.
5. Number of business prospects pursued	• Pursued 49 business prospects in the areas of Aerospace and Defense, Manufacturing, Energy, Information Communication Technology, Film, Biotechnology, Recycling and Tourism.
6. Number of business initiatives attracted to the province	• Results of the business attraction efforts of the department will be realized in 2008-09. • No business initiatives were attracted in 2007-08.
7. Amount of foreign direct investment attracted to the province	• No transactions have closed in the 2007-08 period. • During 2007-08, the Department of Business was busy promoting the province through trade missions, ministerial speeches, site visits, and participation in

	trade shows. All of these activities have laid the groundwork and have positioned the province for the attraction of businesses to the province.

The Department's primary goal is to attract investment from outside the province. Business prospecting activities must be proactive and responsive, focused on attracting new business to the province.

The Department continues to foster business attraction efforts to maximize the benefits for the people of Newfoundland and Labrador. The focus of the Department is to make quality investments in sustainable businesses. This focus on quality as well as the variability in the life cycle of taking an investment transaction from the initiation stage to closing a deal primarily explains why the indicators for the actual number of businesses and the amount of foreign direct investment attracted to the province were lower than anticipated.

Advisory Responsibility Related to Business Support

2006-08 Planning Cycle Results

This section outlines the Issue, Goal, Measure and Indicators set by the Department for the two year planning cycle which commenced on April 1, 2006 and ended March 31, 2008. Furthermore, accomplishments described here go toward achieving the *Business Support* strategic direction stated in the 2006-08 Business Plan.

Issue: Finalizing the Provincial Investment Attraction Strategy

Government is committed to building a strong, diversified economy driven by foreign direct investment throughout all regions of the province. The key to success will be the province's performance in attracting investment, fostering innovation, and building and growing new skills.

The Department of Business is responsible for the strategic assessment of the business environment and the development of a strategy that clearly defines Newfoundland and Labrador's goals and objectives for business attraction. This past year saw the development of targeted sector profiles that have formed the basis for moving forward with the implementation of the Provincial Investment Attraction Strategy. Based on information contained in the sector profiles, the Department is currently developing the strategic plan for rollout to key economic departments.

Goal: By 2008 the Department of Business will have led the development and implementation of a Provincial Investment Attraction Strategy to inform decision-making.

Measure: Implemented the Provincial Investment Attraction Strategy

To ensure that the work on the Provincial Investment Attraction Strategy was accomplished using the best resources, partners, and plan, the Department extended the completion date for

this initiative and modified the methodology for the project. This change in methodology resulted in the compilation of eleven industry sector profiles by an external consultant which forms the base for the full strategy document. Input from government departments and industry stakeholders was integral to the completion of the sector profiles and this participation will continue as the Department of Business engages government departments to further develop the consultant's recommendations. This change in approach explains the variances noted in the 2006-08 planning cycle and the 2007-08 year. It is now anticipated that the strategy document will be finalized in fiscal 2008-09.

The following table shows the four indicators of success set by the Department for the 2006-08 planning cycle.

Indicators and Accomplishments:

Indicators	Accomplishments
1. Strategy document	• A change in approach focused efforts on the development and delivery of eleven sector profiles on which the strategy will be based. It is anticipated that the strategy document will be finalized in fiscal 2008-09.
2. Government-wide information sessions	• Government departments were consulted extensively during the development and review of the sector profiles. Cooperation across government will be an integral part of the success of implementing the proposed recommendations.
3. Provision of advisory support to government departments	• The Department of Business advised and worked with other departments on business attraction related issues throughout the planning cycle. An example of this role could be seen in the strong partnership formed with the Department of Innovation, Trade and Rural Development.
4. Monitoring compliance with strategy	• Pending rollout of the strategy in fiscal 2008-09.

2007-08 Annual Results:
This section outlines the Objective, Measure and Indicators set by the Department for the 2007-08 fiscal year which commenced on April 1, 2007 and ended March 31, 2008. Furthermore, it describes accomplishments made toward meeting the stated objective.

2007-08 Objective:
By 2008, the Department of Business will have led the development and implementation of the Provincial Investment Attraction Strategy across economic departments of government, and developed and started implementation of an action plan as it relates to the Department of Business.

2007-08 Measure:
Provincial Investment Attraction Strategy Implemented

Indicators and Accomplishments:

Indicators	Accomplishments
1. Priority sectors identified	• Eleven priority sectors were identified and sector profiles prepared.
2. Gaps in industry supply chains identified	• Gaps in industry supply chains have been identified and support programs to address these gaps have been initiated. (See indicator 3 below.)
3. Appropriate support programs identified	• Review of supply chain gaps has resulted in the identification of three support programs. (See indicator 4 below.)
4. Programs implemented to address gaps	• The Department now has three tools to assist with identified industry gaps: 1. Business Attraction Fund; 2. Oil and Gas Manufacturing and Services Export Development Fund; and 3. Resort Property Investment Tax Credit.
5. Provincial Investment Attraction Strategy implemented	• A change in approach focused efforts on the development and delivery of eleven sector profiles on which the strategy will be based. Plans are in place to complete the strategy in fiscal 2008-09.
6. Initiatives implemented to increase investment in priority sectors	• Initiatives based on the Provincial Investment Strategy are pending final strategy development.

Marketing

2006-08 Planning Cycle Results

This section outlines the Issue, Goal, Measure and Indicators set by the Department for the two year planning cycle which commenced on April 1, 2006 and ended March 31, 2008. Furthermore, accomplishments described here go toward achieving the *Marketing* strategic direction stated in the 2006-08 Business Plan.

Issue: Building the Province's Image

Newfoundland and Labrador is fast becoming a place of interest in today's very competitive global environment. Whether it is investment, tourism, export or trade, the province is experiencing a renewed confidence that has set the stage for a very prosperous and bright future for all Newfoundlanders and Labradorians. Staying true to its unique brand positioning, the Department of Business is working hard to promote the province as a great place to invest,

live and work. The Department is responsible for government-wide leadership in the development, management and implementation of its brand development strategy to shape perceptions of the Newfoundland and Labrador brand.

Another primary role for the department is to develop a marketing strategy for business attraction and generate increased business interest and investment.

Goal: By 2008 the Department of Business will have led the implementation of the brand development strategy across government and initiated a brand oriented marketing campaign for business attraction.

Measure: Led the implementation and initiated a marketing campaign

Indicators and Accomplishments:

Indicators	Accomplishments
1. Complete strategy document	• Received document from outside consultant. • Department is working to evolve strategy document as plans move forward.
2. Development of an action and implementation plan	• Developed and implemented action plans for branding as well as business attraction.
3. Launch of brand strategy	• Launched brand in 2006; the Department is working to evolve the strategy as plans move forward.
4. Development of a promotional information package	• The development of promotional information packages will be an ongoing initiative for the Department of Business. Signification work has been completed on the development of collateral promotional packages for use in business attraction efforts, development will be completed in 2008-09.
5. Marketing initiatives led including brand integration through government website	• As part of the Brand Monitoring System, a Brand section has been placed on government's home page as well as on the intranet. • Awarded RFP for the implementation of the web strategy for www.nlbusiness.ca.
6. Adoption of best practices and guidelines	• Review of best practices and guidelines for other jurisdictions was conducted and is ongoing.
7. Provision of information and training in the use of the brand	• Implemented 'Brand Steward' contacts in each department as part of the Brand Monitoring System. • A Graphic Standards Manual is in the process of being updated and will be redistributed to all Brand Stewards. • Held 26 meetings with all departments and other government bodies to educate them on the graphic standards and to address any issues as they pertain to the brand. This is an ongoing initiative.

8. Monitoring the success of implementation	• An assessment of the brand implementation took place between January and May of 2008. As a result a Brand Monitoring System was put in place which consisted of: (a) Brand Stewards (b) 3rd Party Guidelines (c) A Logo Licensing Program, (d) A brand section on the intranet the government's home page (e) Ongoing monitoring.

2007-08 Annual Results:
This section outlines the Objective, Measure and Indicators set by the Department for the 2007-08 fiscal year which commenced on April 1, 2007 and ended March 31, 2008. Furthermore, it describes accomplishments made toward meeting the stated objective.

2007-08 Objective:
By 2008 the Department of Business will have completed implementation of a brand strategy across government and completed a marketing campaign for business attraction within the Department of Business that is consistent with the government-wide brand strategy.

The 2007-08 year proved to be very successful as it relates to the development of the brand. An audit was completed to assess the brand implementation throughout government since its rollout in October 2006. Arising from the audit was a Brand Monitoring System which saw the introduction of Brand Stewards throughout all government departments as well as some agencies plus the introduction of guidelines that are necessary for the protection of the brand. Due to additional time and resources spent on the launch and implementation of the provincial brand strategy, indicator number 3 below was not met. Significant work was completed on the Logo Licensing Program, the results of which will be released in 2008-09.

2007-08 Measures:
Following are the two measures set for 2007-08
a) implemented the brand strategy
b) marketing campaign completed

Indicators and Accomplishments:

Indicators	Accomplishments
a) implemented the brand strategy	
1. Consistent use of the brand government-wide	• All new government initiatives must be in compliance with brand strategy guidelines. • To ensure compliance is maintained, the department introduced a Brand Monitoring System. • A Brand Signature webpage has been developed and is linked to the government's home page, as well as the intranet.
2. Information packages developed	• Information packages were developed and

	distributed at the brand launch in 2006. • Graphic Standards Manual is in the process of being updated and will be redistributed to all Brand Stewards and external sources as applicable.
3. Government-wide policy on merchandising developed	• The government-wide policy for merchandising is near completion and a Logo Licensing Program for use by external suppliers and manufactures will be launched in early fiscal 2008-09.
4. Policy developed for Third-Party use	• Launched March 2008.
b) Marketing Campaign completed	
1. Promotional information package implemented	• Produced promotional packages for business attraction. • Prepared templates for PowerPoint and Word documents. • Will Issue an RFP for DVD/Video in 2008-09. • Awarded RFP for the implementation of the web strategy and this strategy was completed in June 2007. • Completed several promotional pieces for the department.
2. Number of marketing initiatives led	• The Marketing division participated in, and sponsored events where the Department promoted the province as a place to do business. These events included MUN Alumni Affinity Dinners, Ministerial speeches and promotional activities in key markets abroad.

Regulatory Environment Reform

2006-08 Planning Cycle Results

This section outlines the Issue, Goal, Measure and Indicators set by the Department for the two year planning cycle which commenced on April 1, 2006 and ended March 31, 2008. Furthermore, accomplishments described here go toward achieving the *Regulatory Environment Reform* strategic direction stated in the 2006-08 Business Plan.

Issue: Regulatory Environment

The Department of Business has a dual role with respect to enhancing the regulatory environment. Firstly, it provides project management for the ongoing review of Government's regulatory environment with a view to moving towards smart regulation that is outcome based and not prescriptive in nature. Secondly, the Department is the lead coordinator for the

government-wide Red Tape Reduction Initiative intended to produce a 25% reduction in red tape by March 2009. Maintaining high regulatory standards, monitoring departmental progress, and recommending measures to enhance the regulatory process are key elements of this initiative.

Goal: By 2008 the Department of Business will have led the improvement of the regulatory environment across government.

Measure: Led the improvement

Indicators and Accomplishments:

Indicators	Accomplishments
1. Number of departmental plans in progress	• 33 plans have been developed and implemented.
2. Percentage reduction achieved	• By the end of fiscal 2007-08, a 12.5% reduction was achieved.
3. Completed database with government-wide implementation	• Regulatory Reform Tracking System database reached an advanced stage of development. • Implementation set for 2008-09, project experienced technical delays in the development phase.
4. Quarterly and semi-annually reporting	• Quarterly and semi-annually reporting completed and will continue.
5. Regulatory impact analysis (RIA) training developed and delivered	• Developed and delivered RIA training to all government departments.
6. Identification of priorities and recommendations to achieve 25% reduction	• Priorities identified and recommendations were provided to departments. This work is ongoing.

2007-08 Annual Results:
This section outlines the Objective, Measure and Indicators set by the Department for the 2007-08 fiscal year which commenced on April 1, 2007 and ended March 31, 2008. Furthermore, it describes accomplishments made toward meeting the stated objective.

2007-08 Objective:
By 2008 the Department of Business will have enabled the effective monitoring of the regulatory reform process that adopts the use of regulatory impact analysis of new regulation and results in actions across government to reduce regulatory requirements of clients.

The Department of Business is tasked with improving the overall regulatory environment within Government with the primary focus being on improved client service while simultaneously striving to reduce or eliminate red tape. Tangible improvements to client service are being realized through the ongoing Red Tape Reduction Initiative which was implemented by Government with a goal of reducing red tape by 25% over a three year period and ensuring a zero percent increase in net regulation thereafter. This initiative, combined with the

department's mandate to improve the overall regulatory regime for businesses and citizens, serves to ensure a regulatory environment that is efficient, flexible and transparent.

2007-08 Measure:
Regulatory reform processes monitored

Indicators and Accomplishments:

Indicators	Accomplishments
1. Fees review policy completed and accepted by Treasury Board	• Fees review was completed.
2. Semi-annual reports made to public	• Reports were made public in October 2007 and May 2008.
3. Percentage reduction achieved	• By the end of fiscal 2007-08, a 12.5% reduction was achieved.
4. Regulatory Impact Analysis (RIA) reviewed for compliance with 2:1 removal/replacement principle	• RIA is ongoing, with 413 Cabinet Papers reviewed as of March 2008.
5. Regulatory Reform Tracking (RRT) System implemented	• Regulatory Reform Tracking System developed. • Implementation set for 2008-09, project experienced technical delays in the development phase.

OPPORTUNITIES AND CHALLENGES

Opportunities

There has never been a better time to do business in Newfoundland and Labrador. The economy is experiencing unprecedented growth and the future looks bright. This outlook has translated into an unprecedented level of excitement and confidence in our economy. Current economic prosperity is one reason why there has been a recent move to net in-migration as Newfoundlanders and Labradorians are returning to the province.

The continued success of resource based industries will be a growth area for attracting investment. It is anticipated that sectors such as oil and gas as well as mining will present even greater opportunities for the province in the coming years. This, coupled with the strategic location of the province, between Europe and North America, will continue to present an opportunity for business investment.

Newfoundland and Labrador houses Memorial University, a world-class facility which is producing exceptionally skilled and talented graduates. Both the university and the newly formed Newfoundland and Labrador Research and Development Council are positioned to drive research and development initiatives. Work in the area of research and development is a cornerstone for future economic growth as it promotes cutting edge solutions.

Challenges

In order to achieve the goal of generating increased business investment in the province, the Department of Business must continue to develop and promote policies that encourage economic growth and investment. The Province is competing with other jurisdictions both nationally and internationally to attract inward investment. An ongoing challenge for the Department is to strategically promote Newfoundland and Labrador as the most attractive investment destination in targeted sectors.

Unprecedented turmoil in international credit markets has led to high degrees of uncertainty and challenges for entities requiring financing to expand or relocate. This issue translates into challenges for attracting foreign investment to the province. Other challenges include high oil prices adding to inflationary pressures, political instability in certain global regions and the high Canadian dollar. Furthermore, consistent with similar challenges faced by other jurisdictions in Canada and globally, the province continues to address and invest in efforts to ensure a ready supply of skilled labor.

The province continues to address the challenges associated with air access to the province in an effort to promote an efficient business friendly environment.

APPENDICES

Appendix A – Financial Statements

Department of Business
Report on Program Expenditures and Revenues
Consolidated Revenue Fund
For the Year Ended 31 March 2008
(Unaudited)

			Estimates	
		Actual	Amended	Original
1.1.01	Minister's Office	$ 319,502	$ 386,300	$ 386,300
1.2.01	Executive Support	480,216	937,800	937,800
1.2.02	Strategic Planning and Communications	1,031,223	2,899,000	2,899,000
2.1.01	Business Attraction	883,204	2,037,200	1,992,200
2.1.02	Special Initiatives – Investment Attraction	-	6,955,000	7,000,000
2.1.03	Business Attraction Fund	-	25,000,000	25,000,000
Total Department		$ 2,714,145	$ 38,215,300	$38,215,300

An audited financial statement is not a requirement for this entity.

Appendix B – Accomplishments at a Glance

Focus Area	Major Accomplishments
Generating Investment	▪ 2006-08 772 client contacts made *(538: 2007-08, 234: 2006-07)*. ▪ Contracted in-market consultants in Atlanta, Alberta, Dublin, New York and Washington, DC. ▪ Developed and implemented detailed due diligence procedures for project assessments. ▪ In 2007-08, participated in 14 trade shows/conferences/events across multiple sectors including Financial Services, ICT, Aerospace and Defense, Biotechnology and Mining. ▪ In 2007-08, participated in 28 client prospecting trips to address sector/geographic investment opportunities. ▪ In 2007-08, completed missions to Japan, Qatar, Germany and India. ▪ Developed multiple sector information packages for the Financial Services, Aerospace and Defense, Industrial Regional Benefits, Agriculture, Alternative Energy, Manufacturing and ICT sectors. ▪ Completed several ministerial speaking engagements. ▪ Hosted a number of incoming site visits by prospective clients.
Advisory Responsibility Related to Business Support	▪ Completed sector profiles on key industry sectors. ▪ Addressed funding gaps with the establishment of the Business Attraction Fund. ▪ Launched the Resort Property Investment Tax Credit. ▪ Participated on numerous government committees and working groups where the Department added value by ensuring that business attraction to the province, red tape reduction and brand strategy was top of mind. ▪ Introduced a Client Information Management System.
Marketing	▪ Coordinated government-wide launch of the new brand identity and signature in October 2006. ▪ Coordinated the rollout of the brand throughout all government departments. ▪ Developed a web strategy for the www.nlbusiness.ca website. ▪ Developed and implemented action plans for branding as well as business attraction. ▪ Developed and launched Third-Party Guidelines for external use of the brand. ▪ Developed and introduced a Brand Monitoring System including 26 departmental Brand Stewards. ▪ Developed and launched a Logo Licensing Program for use by external suppliers and manufacturers. ▪ Awarded RFP for implementation of the web strategy and for updating of the Graphic Standards Manual.

Red Tape Reduction	▪ Regulatory requirements of Government were reduced by 12.5%, half of the publicly stated goal of 25%. ▪ 38,956 regulatory requirements eliminated from the system. ▪ 413 Cabinet submissions reviewed to determine regulatory impacts. ▪ 33, three year plans received from government entities and reviewed for adherence to 25% reduction objective. ▪ Quarterly and monthly (as of January 2008) reports received from all government entities and reviewed by departmental staff. ▪ Worked with OCIO on development of database (Regulatory Reform Tracking System) to manage data for RTR Initiative; implementation planned 2008-09. ▪ Participated in semi-annual meetings of federal-provincial-territorial Working Group on Regulatory Reform. ▪ Coordinated work of Small and Medium Sized Enterprises (SME) sub-committee of Council of Atlantic Premiers.

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